



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

NOV 6

REPLY TO THE ATTENTION OF:

AR-18J

Jim Sygo
Deputy Director
Department of Environmental Quality
Michigan Department of Environmental Quality
P.O. Box 30473
Lansing, Michigan 48909-7923

Re: State Clean Diesel Grant Program Fiscal
Year 2009 Program Funds

Dear Mr. Sygo:

The purpose of this letter is to provide notification of the target budget for the State Clean Diesel Program for Fiscal Year (FY) 2009. These funds will be used to support clean diesel program activities taking place in FY 2010. This target is determined through a formula outlined under the Diesel Emissions Reduction Program in Section 793(c) (Subtitle G of the Energy Policy Act of 2005). We are excited about the continued interest in the State Clean Diesel Program by all the States.

The FY 2009 funds will supplement the current FY 2008 funded State Clean Diesel Program awards, which are direct, non-competitive assistance awards. States must submit a revised Work Plan, budget and appropriate grant application forms by December 11, 2009, to receive the FY 2009 funds. States are not required to provide the State match listed on the following page, but if a State chooses to match the entire base, the State will receive a match bonus equal to 50 percent of the U.S. Environmental Protection Agency base funding. States do not have to commit to the match until they submit the application package on or before December 11, 2009.

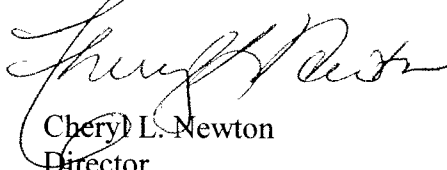
These funds supplement the current State Clean Diesel Program two-year award covering the grant period between October 2008 and September 2011. The following table details the funds the State previously received in FY 2008 funds and the potential FY 2009 funds the State will receive in FY 2010.

Fiscal Year	Estimated EPA Base	State Match	EPA Match Bonus	Potential Total*
2008	\$196,880	\$196,880	\$98,440	\$492,200
2009	\$235,294	\$235,294	\$117,647	\$588,235
Total Award Funding	\$432,174	\$432,174	\$216,087	\$1,080,435

** This total reflects the amount total of the Estimated EPA Base, State Match, and EPA Match Bonus.*

I appreciate your efforts as we continue working together to accomplish our mutual diesel emission reduction goals. As always, if you have any questions or concerns, you may call me at 312-353-6730 or Steve Marquardt, of my staff, at 312-353-3214. Application materials and instructions are available on the web at www.epa.gov/cleandiesel.

Sincerely,



Cheryl L. Newton
Director

Air and Radiation Division

cc: G. Vinson Hellwig
Chief, Air Quality Division,
Michigan Department of Environmental Quality

Marion Hart
Air Programs Grant Manager
Michigan Department of Environmental Quality

Lisa Root
Air Programs Grant Manager
Michigan Department of Environmental Quality

Donna Davis
State Clean Diesel Grant Manager
Michigan Department of Environmental Quality

Sharon Maher
Federal Aid Coordinator
Michigan Department of Environmental Quality

bcc's: Shari Holloway, e-mail
Sharleen Phillip, e-mail